

THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

16 April 1981

OLC 81-0417/b

Legislative Counsel

Mr. James M. Frey
Assistant Director for
Legislative Reference
Office of Management and Budget
Washington, D.C. 20503

Dear Mr. Frey:

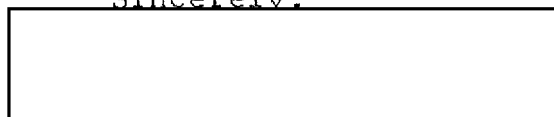
This is in response to your request for the views of the Central Intelligence Agency on H.R. 316, the "Limitation on Government Recordkeeping Requirements and Actions Act of 1981." For the reasons discussed below, this Agency opposes enactment of this legislation.

Upon analysis, we find H.R. 316 to be vague and ambiguous in breadth, scope, and purpose, and debilitating in impact. By imposing a four year statute of limitation on the U.S., paragraph 2(a)(2) of the Bill would significantly reduce the ability of the Government to pursue its just claims and debts. While most contract settlements are completed well within a four year period, certain difficult ones could drag on. Accordingly, in such cases, the Government's bargaining power would continually diminish as the tolling of the four year statute approaches.

In addition, paragraph 2 (a)(1) could impact negatively on the CIA's classified procurement capability by removing from the contractor at the end of a four year period all contractual and legal obligations, including those concerning security, and by arguably eliminating all legal remedies to protect information and material that is sensitive or that must remain classified. This provision might serve to frustrate the congressional intent behind section 3(d) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403(d)).

Should you have any questions concerning our views, do not hesitate to contact this Office directly. We would appreciate being kept closely advised regarding the formulation of an Administration position on this legislation.

Sincerely,



Frederick P. Hitz

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